

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 300th MEETING OF THE BOARD OF COMMISSIONERS December 21, 2006**  
A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on December 21, 2006 at 3:00 p.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Jerry Massa, Dave Gavitt, Jeff Hirsh, Paul MacDonald, George Nee, Marianne Corr, Jason Fowler and Bernie Buonanno.

Patrick Butler and Dale Venturini were unable to attend

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Martha Sheridan and John Gibbons, PWCVB; Nancy Beauchamp, SMG Corporate; Tim Muldoon and Debbie Tuton, SMG/RICC; Larry Lepore, Eleanor SanAntonio, SMG/DDC; Steve MacDonald, O. Ahlborg & Sons; Larry Bacher, Gilbane; Robert Bromley, Senate Fiscal Office, and Eileen Smith, Recording Secretary. **CALL TO ORDER**

Recognizing a quorum, Chairman Duffy called the meeting to order at 3:03 p.m. Chairman Duffy announced that in recognition of the 300th

meeting there would be a toast following adjournment. He reported that the first meeting was held in August 1987. Chairman Duffy noted the long history of the Authority from the time that the bus station was purchased. Mr. MacDonald had brought a bottle of water that dated back to the grand opening celebration of the Convention Center in 1993 and presented it to Mr. Duffy.

**APPROVAL OF MINUTES** Chairman Duffy entertained a motion to accept the minutes of the 299th meeting, November, 2006. Upon a motion duly made by Mr. Gavitt and seconded by Mr. Nee it was unanimously **VOTED:** to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Chairman Duffy asked Mr. McCarvill to present the financial highlights. Mr. McCarvill reported that for the month of November Convention Center revenues were \$1,386,000 and expenses \$1,041,000 for a net variance to budget and actual last year of \$60,000 and \$149,000 respectively. He also reported Year to Date revenues of \$4,925,000 and expenses of \$4,298,000 for a net positive variance of \$197,000 to budget and \$189,000 to actual last year. Mr. McCarvill stated that improved net performance is primarily attributed to parking with significant improvement in transient capture.

Mr. McCarvill said that the Dunkin' Donuts Center posted November

revenue of \$466,976 and expenses of \$622,815 for a net negative variance to budget of (\$9,232). He said that the Dunkin' Donuts Center had reported Year to Date revenue of \$1,105,568 and expenses of \$1,984,000 for a net variance to budget of \$154,000. Event days and attendance exceeded budget by 5 days and 4,888 attendees respectively.

Mr. McCarvill said that the overall net for combined operations plus overhead is \$568,000 to budget and (\$1,012,908) to prior year. The negative net variance vs last year is attributable to the Dunkin' Donuts Center loss which was anticipated due to the construction shut down. He said that next month we will begin tracking the Dunkin' Donuts Center to prior year but for the month only.

Several members remarked that consolidated information being reported should be given to the Commissioners to review when presented, as it can be difficult to follow in the formats in the board books.

## **AUDIT COMMITTEE**

Mr. Hirsh reported that the Audit Committee had met on Tuesday following the Convention Center Committee meeting. He said that the purpose of the meeting was to go over the management letter comments and suggestions for improvement to our financial reporting and recordkeeping. Mr. Hirsh noted that Frank Champi and

**Sue Johnson attended the meeting and offered their assistance. Mr. Hirsh noted that the management letter comments did not affect the clean unqualified audit opinion. Mr. Duffy stated that the meeting was excellent and very informative.**

## **DUNKIN' DONUTS COMMITTEE**

**Mr. Duffy asked for Mr. Lepore's report on Dunkin' Donuts Center events. Mr. Lepore stated that the Trans Siberian Orchestra double header went smoothly. He said that it was a challenge to get the patrons out from the early show and clean the building for the evening performance. Mr. Lepore thanked everyone that had contributed to the effort including the unions, concessionaires and the management team. Mr. Lepore reported that the Toby Keith show had sold out. He thanked the CVB for their help in enticing Mr. Keith with a Rhode Island gift basket. He said that it must have been the coffee syrup that changed his mind. Mr. Lepore said that Disney on Ice is tracking well. Mr. Lepore stated that educating the staff on customer service is paying off. He said that he had received a positive e-mail from a patron that had a complaint that was well handled by the staff. Mr. Lepore reported that there are now two customer reps at all times and Providence College and the Providence Bruins also have a staff member to deal with any problems as soon as they arise. Mr. Gavitt said that he had sensed a new spring in the step of staff members and that the building looks better. Mr. Lepore said that the increased salary for security staff as**

suggested by Chief Mancuso helped.

Ms. Bennett was asked to update the Board on the renovations. Ms. Bennett reported that bid packages are being reviewed. She stated that she is trying to coordinate with the City, DOT, Gilbane and SMG for the partial street closure for the pedestrian bridge footings and grease separator relocation. Ms. Bennett reported that the naming of the basketball court for Dave Gavitt would take place on January 6th prior to the P.C. vs Seton Hall game.

Mr. Duffy asked Mr. McCarvill to update the Commissioners on Sportservice's presentation. Mr. McCarvill stated that Sportservice does a good job with the concessions and show a strong willingness to bring more of their upscale capabilities to the Dunk. He said that they understand that our expectations will be higher especially for the suites. Mr. Massa asked Mr. McCarvill if he felt comfortable with the people they have on staff to accommodate our expectations. Mr. McCarvill replied that Sportservice is a big company as shown in their briefing to the Committee and they will have appropriate staffing.

## **CONVENTION CENTER COMMITTEE**

Mr. Massa reported that the Convention Center Committee had met on Tuesday and asked Mr. Muldoon to update the Board on that meeting. Mr. Muldoon reported that the Festival of Trees was a successful event. He also reported that the Northeast Human

**Resources Association Annual Convention as well as International Wire and Cable Symposium and the New England Regional Chapter of the American College of Sports Medicine Annual Conference made for a very good November. Mr. Muldoon said that a kick off meeting for the West Lobby project had taken place. The project is expected to be complete in September. Mr. Muldoon noted that the annual cookie blitz is underway and a drawing of the new West Lobby space will be distributed with the cookie trays. Mr. Muldoon stated that the third exit lane from the South Garage has reduced departure time by about 8 to 10 minutes and appears to be a success. Mr. Duffy noted that this has been a good year so far and encouraged the staff to keep up the good work.**

## **MARKETING COMMITTEE**

**Chairman Duffy recognized Martha Sheridan and asked that she address the Board. Ms. Sheridan introduced John Gibbons, the newest member of the CVB sales team. She stated that Mr. Gibbons would be responsible for the SMERF market that includes sports and religious groups. Ms. Sheridan also noted that Lynne McCormick had been appointed to the CVB Board of Directors and elected Vice Chair.**

**Ms. Sheridan informed the Board that the CVB had narrowed their search of office space to two locations on Weybosset Street and noted the importance of staying in the downtown area. Discussions ensued regarding room rates and Ms. Sheridan noted that rates continue to rise. Mr. Hirsh stated that as a member of the CVB Board**

of Directors he has gotten the impression that morale has greatly improved. Ms. Sheridan noted that site inspections are on-going and thanked Mr. Muldoon and his staff for the excellent job done with the Ambassador's Luncheon.

Mr. Muldoon was pleased to report that the Convention Center had contracted with KTM North America Productline Trade Show for August 2007. He noted that KTM makes dirt bikes and the unique event will take place during a slow period for the building. Mr. Muldoon also noted that the building is being held for the Governor's inauguration in case of inclement weather.

Mr. Lepore reported that the scoreboard is operating very well and enhancing the fan experience. Mr. Gavitt mentioned that the visiting teams do not receive the same video attention as the Providence College team. Mr. Lepore stated that Providence College controls what is shown on the scoreboard but that issue would be brought to their attention. Mr. Nee asked about attendance. Mr. Lepore said that both Providence College and the Providence Bruins attendance is up and will be even better when the football season is over.

Chairman Duffy asked Mr. McCarvill to update the Board on The Procaccianti Group's Letter of Credit. Mr. McCarvill reminded the Board that as a condition of sale of the Westin Hotel Development Agreement with PRI XVIII, L.P. called for at least 200 additional hotel rooms by 2007. The Authority required a \$10,000,000 Letter of Credit

to assure timely completion of the additional hotel rooms. Since the Westin expansion is evident, Mr. McCarvill reported that RGB, an independent architect, was hired to review the progress of the construction to determine the necessity of such a significant Letter of Credit. Mr. McCarvill read the favorable comments from RGB and suggested lowering the amount to \$1,000,000 pending the review by the City Fire officials of the Procaccianti Group's request for a separate Certificate of Occupancy for the hotel component of the project.

Upon a motion duly made by Mr. Buonanno, seconded by Mr. Nee it was unanimously

**VOTED:** That after discussion having been held thereon, it is hereby moved that the \$10,000,000 Letter of Credit that PRI XVIII, LP supplied in connection with the Development Agreement between the Authority and PRI XVIII, LP shall be reduced by the Authority from \$10,000,000 to \$1,000,000, and the Authority's Chairman and Executive Director are each authorized to do any and all things and execute any and all documents that they deem necessary to accomplish the reduction, and they each also are authorized to subsequently reduce the Letter of Credit as required by the Agreement.

Hearing no further business Mr. Duffy entertained a motion to adjourn the 300th meeting. Upon a motion duly made by Mr. Gavitt and



**seconded by Mr. Massa it was unanimously**

**VOTED: to adjourn at 4:00 p.m.**